From:	ehud barak <ehbarak1@gmail.com>
To:	Yaron Eitan <yeitan@selwaycapital.com>
CC:	
Date:	Tue, 12/10/2013 1:17:58 AM
Subject:	Re: iBank

Yaron
Thx. Looks good. Let's stay in touch. EB

Sent from my iPhone

On Dec 9, 2013, at 17:05, Yaron Eitan <yeitan@selwaycapital.com> wrote:

Ehud,
The issue of providing the required background information is very much on my mind. This is why I am glad that we will face this issue early on in the process, in case Viktor doesn't want to do it.
My understanding from Andy is that it will not be an issue. CIFC is a regulated entity and Viktor allowed for the required disclosure.
Regarding the iBank, we are not a control group by design to reduce the level of scrutiny we will need to go through.
I like this project and we are taking the time to learn the issues at a slow pace. I stayed in touch with Kachlon who will continue to support the idea.
I am also paying attention to Credorax which I believe is becoming a significant company coming out of Israel.
All the best,
Yaron

From: ehud barak [mailto:ehbarak1@gmail.com]
Sent: Monday, December 09, 2013 2:55 AM
To: Yaron Eitan
Subject: Re: iBank

Yaron
Who is the CEO?
I'm worried Viktor should expect quite deep background review and scrutiny. That's a Bank after all. I think you have to check it here and draw Andy's and Viktor attention to it , if that's the case. Best
EB

Sent from my iPhone

On Dec 9, 2013, at 4:32, Yaron Eitan <yeitan@selwaycapital.com> wrote:

> Ehud,
> Below is an update I shared with the group,
> All the best,
>
> Yaron Eitan
>
> Gentlemen,
> Here is a quick update on iBank following my recent trip to Tel Aviv and based on the continuing DD work that the team is doing:
> · I met Mr. Moshe Kachlon who is the former Minister of Communication that lead the

deregulation of the cellular market. He is a very popular Israeli politician who is not in office now. He is predicted to be a possible future leader of a major party. He said that the banking industry have to change. He will support publicly the iBank efforts and will use his political influence to see the they will have a smooth launch. This is very important since the guy is very influential. I spoke to EB about him and he shared my view.

- The team received the approval of The bank Of Israel (BOI) to launch the bank without a control group and with only three or four founders (we are the 4th one). The approval allows each founder to own 10% in the first three years, then the ownership should drop to 5% or a new waiver should be obtained
- The company will raise initially $20 million; $8 million from the four founders and $12 million from the public on the Tel Aviv stock exchange. An approval in principle from the Israeli SEC and from the TSE was already obtained.
- The development efforts will take 12 to 18 months and will cost up to $20 million. $8 million will be the cost of an off the shelf banking platform and an additional $10 million for the development of the unique IT banking applications and features
- The company believes that this platform, when ready, will be very attractive in a number of countries starting with Brazil and Mexico. The founder's initial backer when he was the Chairman of the FIBI Bank was the Safra family.
- Pre-launch the company will raise an additional $80 million; $12 million from the four founders and the balance from the public or from other large institutions like City Bank (as per MM suggestion)
- The company is finalizing a revised business plan as per the request of the BOI, this will be done shortly.

- We are being asked to present what they call “Fit & Proper” material identifying the source for our capital. I was promised that this is a limited disclosure process and should not be an issue for our LP, let’s see!!
- A CEO candidate was identified, I have heard about the guy and he is known to be an excellent executive.
- This is a $15 million deal that will look like this: $2 million will be invested upfront, $8 million will be invested after 12 or 18 months (we will not have to) on the eve of the formal launch of the bank, $5 million will be invested in their first out of Israel project (our option).

In summary, this is very exciting, if we can pull it off. I am planning to present some background information in a PP format soon and bring it to the investment committee at some point in January.
Thanks,

Yaron Eitan
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Email: yeitan@selwaycapital.com

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